

HB 488 -- Missouri Downtown Economic Stimulus Authority

Co-Sponsors: Lowe, Campbell, McKenna, Wagner, Corcoran, Bland, George

This bill prohibits any redevelopment projects from receiving moneys from the Supplemental Tax Increment Financing Fund unless the project was approved by the Director of the Department of Economic Development and the Commissioner of the Office of Administration and new state revenues are appropriated for the project prior to August 28, 2003.

Relating to the Missouri Downtown Economic Stimulus Act, the bill:

- (1) Allows each municipality to create by ordinance a Downtown Economic Stimulus Authority which will constitute a public body corporate and politic;
- (2) Restricts the authority from funding the construction, maintenance, or operation of any sports stadium or related facility;
- (3) Requires each authority to be governed by a board of commissioners with five to 13 members. The commissioners will be appointed by the mayor or chief executive officer of the municipality and will serve three-year terms. The bill explains the membership of the board;
- (4) States the powers of the board and of the authority;
- (5) Requires each municipality to establish a minority business plan to ensure that minority-owned businesses are provided good faith opportunities to participate in the procurement of goods and services within the development project areas;
- (6) Outlines methods by which real property can be disposed of;
- (7) Outlines the requirements for reviewing and accepting developer proposals;
- (8) Outlines the requirements of a development plan and the process by which it must be reviewed and adopted by the municipality. Among other things, the bill requires that the development plan include a cost-benefit analysis showing the economic impact of the development plan on the municipality and the school districts that are at least partially within the boundaries of the development area. Also, the bill prohibits the development plan from including the initial development or redevelopment of any gambling establishment;

(9) Requires that Kansas City, St. Louis City, and St. Louis County work with local community development corporations during the designation of the development area, development projects, and development project areas. The bill further requires that a goal of 5% of the funds generated be spent on projects associated with community development corporations;

(10) Allows the municipality or the authority to issue bonds to finance development project costs. The bill prohibits the state from issuing bonds to finance development project costs;

(11) Prohibits state supplemental downtown development financing from being used to pay off existing debt or refinance existing obligations without approval from the Director of the Department of Economic Development and the Commissioner of the Office of Administration;

(12) Explains the manner in which ad valorem taxes and payments in lieu of taxes will be divided among the affected taxing districts;

(13) Allows the municipality to submit an application to the Department of Economic Development for approval of the use of other net new revenues to fund one or more development projects through state supplemental downtown development financing. The application must include, among other things, a cost-benefit analysis of the impact on the state, specifically the impact the development plan will have on the state school aid formula;

(14) Prohibits the amount of state supplemental downtown development financing for an approved project from exceeding the projected benefit the state will receive from the project;

(15) Allows the Department of Economic Development to charge a reasonable fee to recover the costs of personnel and other expenses associated with processing applications for state supplemental downtown development financing. This fee can include costs incurred by the departments of Revenue and Economic Development and the Office of Administration;

(16) Considers the portion of salaries and expenses allocated by the departments of Economic Development and Revenue to each development project approved for state supplemental downtown development financing to be eligible project costs and requires these amounts to be deposited in the State Supplemental Downtown Development Fund;

(17) Prohibits a development project approved for state supplemental downtown development financing from receiving tax increment financing as well;

(18) Creates the State Supplemental Downtown Development Fund which will be administered by the Department of Economic Development;

(19) Allows the General Assembly to initially appropriate up to \$3 million into the fund;

(20) Requires the Department of Economic Development to annually disburse financing from the fund in amounts determined by the certificates of approval for projects. If the revenues in the fund are not sufficient to equal the amounts indicated on certificates of approval, the department will disburse revenues on a pro rata basis to all approved projects;

(21) Prohibits municipalities from obligating other net new revenues prior to receiving a certificate of approval;

(22) Requires a joint committee of the General Assembly to review the act every five years, beginning in 2008. A report must be issued to the Speaker of the House of Representatives and the President Pro Tem of the Senate no later than February 1 following the year in which the review was conducted;

(23) Prohibits development projects from receiving state supplemental downtown development financing unless the project was approved by the Director of the Department of Economic Development and the Commissioner of the Office of Administration prior to January 1, 2010; and

(24) Requires the municipality to submit an annual report concerning the status of the development plan to the Director of the Department of Economic Development.

Relating to the Community Development Corporation Revolving Fund, the bill:

(1) Requires Kansas City, St. Louis City, and St. Louis County to establish a community development corporation revolving fund for the purpose of providing funds to community development corporations to stimulate economic development, housing, and other public benefits leading to the development of economically sustainable neighborhoods;

(2) Requires that the fund be administered by a board with 13 members appointed by the mayor or chief executive officer of the municipality. One appointee must be a member of the local regional community development association and one must be an owner of a minority business;

(3) Allows the General Assembly to appropriate up to 5% of the

state sales tax increment portion of other net new revenues generated by development projects certified for state supplemental downtown development financing, but not being used for that purpose, to be deposited into the State Supplemental Downtown Development Fund for the purpose of providing grants to Kansas City, St. Louis City, and St. Louis County for community development corporation revolving fund programs; and

(4) Prohibits the sum of the grants from exceeding \$1.5 million annually.